

COMMITTEE ON GOVERNMENT REFORM
TOM DAVIS, CHAIRMAN



MEDIA ADVISORY

For Immediate Release
March 4, 2005

Contact: Robert White/Drew Crockett
(202) 225-5074

Government Reform to Examine
Impact of Unfunded Mandates

Is the Unfunded Mandates Reform Act Living Up to Its Promise?
State, Local Governments May Be Financially Burdened

What: Full Committee Oversight Hearing, "Is Uncle Sam Still Passing the Buck?
The Burden of Unfunded Mandates on State, County, and City
Governments"

When: TUESDAY, MARCH 8, 2005, 2:00 P.M.

Where: ROOM 2154 RAYBURN HOUSE OFFICE BUILDING

Background:

The purpose of this hearing is to provide a retrospective review on the Unfunded Mandates Reform Act of 1995 (UMRA) and the impact that it has had on state and local governments. This hearing comes on the heels of Chairman Davis' keynote address on UMRA on March 6th at the National Association of Counties (NACO) National Conference, and provides a platform for the release of a NACO survey, requested by Chairman Davis, detailing the fiscal burden imposed by unfunded mandates on the budgets of state and local governments.

While many federal statutes and regulations have provided substantial benefits and served important national purposes, they also impose financial burdens on state, local, and tribal governments and private sector parties. Congress passed UMRA amid much excitement at all levels of government. The purpose of this landmark legislation was to promote informed decisions by the Congress and the Executive Branch about the effects of federal mandates on other levels of government and the private sector. In so doing, the Act would help ensure the federal government provided the appropriate level of funding.

Title I of UMRA requires the Congressional Budget Office (CBO) to estimate the costs any legislation reported out of congressional committees that includes federal mandates. UMRA provides for a point of order against any bill or joint resolution under consideration containing mandates above a specified threshold without providing the requisite funding to cover the costs incurred in complying with the mandate.

Title II of UMRA requires federal agencies to prepare assessments detailing and estimating anticipated costs and benefits of federal rules and regulations that contain public sector and private sector mandates. The Act establishes a rigorous process whereby agencies are required to “identify and consider a reasonable number of regulatory alternatives and from those alternatives select the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule” or explain why that alternative was not selected.

The Committee hopes to identify and examine the actions of the federal government entities charged with carrying out the provisions of UMRA as well as the impact of federal legislative and regulatory action on state and local jurisdictions since UMRA’s passage. This will be the first in a series of hearings that the Committee, primarily through the Subcommittee on Federalism and the Census, plans to hold during the 109th Congress to determine how best to fulfill the promise of UMRA.

Chairman Davis has asked NACO to conduct a survey to assess the impact of unfunded mandates on county governments. NACO, working with Committee staff, developed a survey instrument and response form that was sent to a sample group of counties across the country. These counties varied in size from some of the smallest, with populations of less than 20,000, to some of the largest, with populations of 1 million or more. The survey included a list of 10 common federal mandates. Each county was asked to estimate the cost of each mandate for their Fiscal Years 2003, 2004 and projected 2005. The survey will be released at the hearing.

Witnesses:

Panel One

Dr. John D. Graham, Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget

Mr. Douglas Holtz-Eakin, Director, Congressional Budget Office

Panel Two

Mr. Angelo Kyle, President, National Association of Counties

Mr. Gerald W. Hyland, Supervisor, Fairfax County Board of Supervisors, VA

Mr. John Hurson, President, National Conference of State Legislatures

Mr. Mick Cornett, Mayor, Oklahoma City, OK

###